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Misconceptions About U.S. Policy Toward South Africa

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Misconceptions About U.S. Policy Toward South Africa

During the past year and a half, apartheid, the system of legally entrenched racism long practiced in South Africa, has emerged as a highly sensitive political issue in the United States. Americans have been bombarded with news about South Africa, as televised scenes of racial conflict have entered American living rooms. But South Africa also has captured the attention of many Americans because of the antiapartheid actions of black South African leaders such as Bishop Desmond Tutu, who was awarded the Nobel Peace Prize in 1984 for his role in the struggle. In the United States many citizens have chosen to engage in nonviolent protest against apartheid in front of the South African Embassy and its consular offices throughout the country. Other Americans have demonstrated in favor of stockholder divestment and corporate disinvestment from South Africa. South Africa not only has dramatically captured the attention of the media but continues to be an intensely debated issue in Congress, in state and local governments, and on many university campuses and elsewhere.

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The purpose of this pamphlet is to put the debate over U.S. policy in factual perspective. Public interest in and debate on foreign policy issues are a central ingredient of a healthy democracy. As public awareness grows of the complexity of the South African drama, it is important that it be based on facts. Misconceptions regarding U.S. policy, goals, and objectives have clouded clear understanding of the issues and needlessly polarized our public discourse. This pamphlet addresses some of the common misconceptions.

Misconception: U.S. policy props up apartheid and the white minority government in South Africa at the expense of the black majority.

Facts: U.S. officials over several administrations repeatedly and consistently have stated this country's strong opposition to apartheid. On September 9, 1985, President Reagan stated the following:

> The system of apartheid means deliberate, systematic, institutionalized racial discrimination denying the black majority their God-given rights. America's view of apartheid is simple and straightforward: we believe it's wrong. We condemn it. And we're united in hoping for the day when apartheid will be no more.

The explicit aim of U.S. policy is to end apartheid. The U.S. Government uses all its influence and urges private American citizens with influence in South Africa to press the South African Government to take immediate steps to dismantle apartheid. We attempt to persuade the South African Government to open talks, without preconditions, with the full range of leaders—black and white—and to negotiate the establishment of a political system that would enable all South Africans to participate in a government based on the consent of the governed.

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As we continue to encourage accelerated, peaceful change in South Africa, we have:

- Maintained public and strong private pressure on the South African Government to translate into concrete actions its statements of intent to abandon apartheid;
- Worked aggressively through diplomatic and public channels to curtail human rights abuses, obtain releases of political prisoners, cease "forced removals" of settled black communities, extend civil rights to black victims of apartheid laws and policies, and promote the abandonment of those laws;
- Worked as closely as possible with those inside and outside South Africa who are actively seeking peaceful change;
- Sent clear signals to the South African Government in the President's Executive Order of September 9, 1985, and in private communications, that the pace of reform must be accelerated; and
- Initiated an impressive range of assistance programs targeted to help black victims of apartheid in the fields of education, trade unionism, small business development, human rights, and legal defense. Funding for such projects in FY 1986 will total $20 million compared to $4.2 million in FY 1982. From 1981 through 1985, the United States provided assistance amounting to $27.9 million.

Misconception: The Reagan Administration has no consistent policy toward southern Africa in general or South Africa in particular.

Facts: Upon taking office in January 1981, the Reagan Administration determined to focus on the many threats to stability in

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southern Africa and developed a policy toward the region that seeks to:

- End the unjust policy of apartheid in South Africa and promote a system of government based on the consent of all the governed;
- Diminish regional and cross-border violence and promote negotiations as a means of settling differences;
- Bring about Namibian independence based on UN Security Council Resolution 435 and, in that context, the withdrawal of Cuban and other foreign troops from Angola; and
- Reassert U.S. influence in the region.

These objectives have been consistent over several past administrations. Although U.S. leverage is limited, Americans can make and have made a difference.

In South Africa, the United States has the best chance of all outside parties to help South Africans move toward peaceful and positive change and to overcome the disabilities imposed by apartheid. We maintain contact and have credibility with all parties—blacks and whites. Just as we engage in dialogue with other governments whose form and policies we disagree with, we must continue to communicate our views to the South African Government. The United States must continue to be a force for peaceful change in South Africa and for a reduction of regional violence. We need to use all the influence we have to work for change. We cannot hope to influence South Africa unless we remain involved there and continue to use our leverage wisely to promote reform.

Moreover, we must recognize that South Africa is an integral part of and major player in southern Africa. Our influence with South Africa on ending apartheid is related

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to the success of our efforts in the region as a whole. A climate of regional insecurity and armed conflict damages hopes for peaceful change in South Africa.

Misconception: "Constructive engagement" is merely engagement with the white minority in South Africa and a means of allying the U.S. Government with the South African Government.

Facts: Constructive engagement has been maligned because it has been misunderstood or misperceived, both within South Africa and without. The policy has promoted continuing contact with all peoples in South Africa, black and white, and, indeed, with the governments and peoples of neighboring states. The U.S. Ambassador and his staff have been and are in touch with a wide spectrum of people from all South African communities, including black leaders representing a number of political organizations. We also have consistently urged the South African Government to enter into meaningful negotiations with black leaders looking toward development of a government based on the consent of all the governed.

Although the policy occasionally has been criticized, no responsible entity either within South Africa or without has ever asked that the United States discontinue its involvement in efforts to promote stability and positive change in the region. U.S. influence is limited, but it is still significant and we intend to apply it where it may be most effective. Meanwhile, we will continue to carry on a dialogue with all South Africans in an effort to move forward the process of change now underway.

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Misconception: The U.S. Government has done nothing to demonstrate its opposition to apartheid, and its relationship with the South African Government has always been business as usual.

Facts: The U.S. Government consistently has spoken out against the apartheid system and specific human rights abuses in South Africa. It has taken many concrete actions to dissociate itself from apartheid and to help the black majority.

- Exports to South Africa of U.S. arms, ammunition, and equipment for their manufacture and maintenance were unilaterally embargoed by the United States in 1963. In 1977, we joined the United Nations in imposing a mandatory embargo on arms sales to South Africa.
- In February 1978, the U.S. Government issued regulations (complying with, but extending beyond, a UN Security Council resolution) to prohibit exports of all goods and technical data destined to or for use by the South African military and police.
- Since 1978, the Export-Import Bank could finance U.S. sales only to South African firms that the Secretary of State has certified as implementing employment practices that promote racial equality; no such financing has occurred.
- The Overseas Private Investment Corporation does not provide guarantees for South Africa, and the U.S. representative to the International Monetary Fund must "actively oppose any facility involving use of fund credit by any country which practices apartheid" unless the Secretary of the Treasury makes certain certifications to Congress. Moreover, the U.S. Department of Commerce does not operate a trade

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center in South Africa or recruit U.S. participants for specialized trade missions or trade fairs.

- In December 1984, the United States joined with other UN Security Council members in voting for an embargo on imports of arms and ammunition produced in South Africa.
- The U.S. Government carefully reviews export license applications for, among other things, U.S. crime control equipment and computers to prevent use of such items for the enforcement of apartheid.
- The United States rejects the South African Government's policy of granting "independence" to the so-called black "homelands" of Transkei, Venda, Ciskei, and Bophuthatswana in South Africa; refuses to recognize their independence or that of any other South African "homeland" in the future; and continues to hold the South African Government responsible for human rights abuses and other developments in the "homelands."

On September 9, 1985, the President issued Executive Order 12532 establishing measures imposing carefully targeted sanctions against the agencies that enforce apartheid and the symbols of apartheid, such as Krugerrands. The President's action was designed not to destabilize the South African economy but to send a clear signal that official repression against black protest is not an acceptable response and that accelerated and basic change is called for. These measures include:

- A ban on all computer exports to South African Government agencies, including local and "homeland," involved in the enforcement of apartheid, and to the security forces;
- A prohibition on exports of nuclear goods and technology to South Africa, except those necessary to implement Interna-

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tional Atomic Energy Agency nuclear proliferation safeguards, or those exempted by the Secretary of State for humanitarian reasons to protect health and safety;

- A ban on loans by U.S. financial institutions to the South African Government, its agencies and institutions, except in exceptional cases when a loan is deemed to improve economic opportunities or for educational, housing, and health facilities that are open and accessible to South Africans of all races;
- A ban on U.S. Government marketing export assistance to any American-owned or -controlled firm employing more than 25 persons in its South Africa operations that does not adhere by the end of 1986 to the comprehensive fair employment principles stated in the Executive Order; and
- A ban on the import of Krugerrands, the South African gold coin.

The Executive Order also directs a substantial increase in the money we provide for scholarships to South Africans disadvantaged by apartheid and for the promotion of human rights activities in South Africa, such as legal assistance to political detainees and to those seeking to assert equal rights.

Misconception: The United States claims it opposes apartheid in South Africa but has virtually no programs to aid blacks disadvantaged by that system.

Facts: An essential part of U.S. policy toward South Africa involves programs aimed at improving the quality of life for black South Africans. Since 1981, the Reagan Administration has directed the U.S. Embassy in Pretoria and its Agency for International Development (AID) mission to develop and fund programs that address

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problems of inferior education, unemployment, and human rights protection for black South Africans.

In FY 1986, the U.S. Government will finance, through AID, projects in South Africa amounting to about $20 million. AID works directly with private voluntary organizations, local community-based groups, and concerned individuals in South Africa to address needs in the fields of education, labor relations, legal defense, private enterprise, community development, and employment. These programs include:

- The External and Internal Scholarship Programs, to finance undergraduate and professional study in the United States and university training within South Africa for disadvantaged black South Africans. In FY 1986, AID will spend about $10.5 million on these programs;
- The Entrepreneurial Training project, to provide training for black owners and operators of small businesses. AID has committed $3 million to this project. In addition, AID plans to obligate $2 million in FY 1986 to assist South African black-owned and -managed banking institutions to finance credit expansion to the black community;
- A grant of $1.5 million in FY 1986 to the African-American Labor Center of the AFL-CIO, to continue funding training programs for black South African trade unionists in the areas of collective bargaining and grievance procedures;
- A Human Rights Fund of up to $1.5 million in FY 1986 administered by the U.S. Embassy to support antiapartheid groups inside South Africa working to promote economic, social, juridical, and political

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change. Among the activities supported is direct legal assistance to victims of apartheid and their families;

- A special fund supporting Self-Help Projects within black townships and rural areas to ameliorate social and economic problems. In FY 1986, $275,000 has been allocated to this program which, because of its matching character, has significant impact at the local level; and
- Through the Community Outreach and Leadership Development program, AID will obligate $2 million for the initial phase of a 5-year program to help new community organizations develop leaders and established community organizations to expand their operations.

The United States Information Agency will spend $1.7 million in FY 1986 on exchange programs such as the International Visitors Program, Fulbright Scholarships, and Journalist Training Program for South Africans working to change the status of blacks, "colored," and Asians through university programs, teacher training, labor unions, or black commercial enterprise-building.

The U.S. Department of Commerce has implemented a series of programs in FY 1986 to assist black-owned businesses in South Africa, including a "Matchmaker Fair" (held April 24–26, 1986, near Johannesburg) aimed at increasing sales of black manufacturing and service companies to U.S. and other firms operating in South Africa; helping the South Africa Urban Foundation to publish a directory of black businesses; and counseling U.S. firms seeking to enter into business relationships with black-owned companies in South Africa.

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Misconception: U.S. policy toward South Africa has been ineffective in dismantling apartheid and achieving political equality for blacks. The South African Government won't make significant changes until "forced" to do so by punitive economic sanctions.

Facts: Though American leverage to bring about change in South Africa is limited, we strongly oppose apartheid and are fully committed to reform. The South African Government is in no doubt about our strong feelings on the matter, and we support organizations in South Africa working for peaceful change. U.S. policy is to urge the South African Government to accelerate the reform process. Although we are not satisfied with the current pace of change and recognize that much remains to be done, important changes have taken place in recent years. While the U.S. Government does not take credit for internal reforms in South Africa, the Administration seeks to encourage the process of change now underway. We believe that ill-considered punitive measures most likely would strengthen white resistance to change rather than advance it, thus risking further violence and harming black South Africans already disadvantaged by apartheid. Specific changes and announced intentions include:

- Public acknowledgment by the South African Government that discrimination on racial grounds cannot be justified and that it intends to move away from such discrimination;
- Announcement by the South African Government that by July 1, 1986, it will abolish the pass-law system that has strictly and brutally inhibited freedom of movement of blacks;

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• Acknowledgment by the South African Government that the current legal and political system denying citizenship to blacks assigned to the so-called "homelands" must be changed;

• Virtual abolition of job reservation formerly restricting 26 categories of employment to "whites only";

• Recognition of the freedom of any individual, regardless of race, to form and bargain in free trade unions, and elimination of all references to race in labor legislation;

• Integration of private schools; government-funded white universities have begun admitting increasing numbers of black students;

• Opening of Johannesburg and Durban central business districts to black entrepreneurs; some 50 other urban centers are in the process of qualifying to follow suit;

• Acceptance of the permanence of blacks in urban areas. Black South Africans may now obtain renewable 99-year leaseholds in "white" areas of the country. Legislation providing freehold title is expected this year;

• Elimination of the Colored Preference Area in the Western Cape, recognizing the claims of blacks there to residence rights and employment;

• Repeal of the Political Interference Act, which prevented different racial groups from belonging to the same political party;

• Desegregation in national sports. All races may now actively participate together in such sports as cricket, soccer, track and field, and boxing;

• Repeal of the Immorality and Mixed Marriages Acts, which formerly made interracial sex or marriage a criminal offense;

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• Acceptance by State President Botha of the principle of universal citizenship and suffrage in a geographically undivided South Africa; and

• Lifting of the state of emergency in March 1986. The U.S. Government had long urged this as a necessary step toward creating the conditions for negotiation of reforms with black leaders.

Misconception: U.S. policy is inconsistent because the Administration supports "freedom fighters" in Nicaragua and Afghanistan but not those in the African National Congress (ANC) who are struggling for freedom and against apartheid.

Facts: In each case the facts and circumstances are different. For that reason, each must be judged on its own merits.

In South Africa, unlike Nicaragua and Afghanistan, there is a government that is moving toward change and reform. A transition has begun. We are encouraging the government to move rapidly toward engaging all parties in negotiations leading to the establishment of a political system based on the participation and the consent of all the governed.

The ANC is one of several organizations with substantial political support in South Africa, primarily but not only among blacks. Some of the ANC's proclaimed political objectives, such as ending apartheid and establishing a nonracial system of government, are accepted in the United States and the West. Other ANC goals, reflected in the organization's continuing close ties via the South African Communist Party to its Soviet counterpart, do not merit U.S. support.

The ANC advocates violence and revolution to bring down apartheid; it has claimed

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responsibility for many acts of violence in South Africa. The United States cannot condone the use of violence by any party in South Africa as a means to achieve its goals. Just as U.S. policy opposes official violence against unarmed demonstrators, it also opposes guerrilla or terrorist violence as a means of pursuing political ends.

The United States considers the ANC one of many political organizations that should be included as South Africans negotiate their future. We favor the release from prison of ANC leader Nelson Mandela and other political prisoners. We have supported efforts to negotiate understandings that would assure an end to violence, the return of exiled leaders, and the legalization of political parties.

U.S. policy does not believe that it is a morally responsible course to support violent solutions in South Africa. Given the enormous military power in the government's hands, support for violent struggle by guerrillas and terrorists would be tantamount to support for a bloodbath, the principal victims of which would be blacks. Moreover, black organizations inside South Africa increasingly have demonstrated their capacity, using nonviolent means, to organize and to press their demands for change. Similar circumstances do not exist in Afghanistan or Nicaragua.

Misconception: The sale of American products, particularly U.S. arms and computers, bolsters the system of apartheid in South Africa.

Facts: The premise of that statement is incorrect. The United States in 1963 unilaterally embargoed exports to South Africa of arms and ammunition, as well as equipment for their manufacture and maintenance. In

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1977 the United States joined with the United Nations in imposing a mandatory embargo on arms sales to South Africa.

Certain controlled items on the State Department's "munitions list" have been licensed for export to South Africa during this Administration, as in previous ones. These items always of a nonlethal nature and are strictly for commercial and civil application. For example, more than 90% of the export licenses approved for such items in the last 5 years have been for automated bank teller machines, which are on the munitions list because technically they are "encryption devices." We license the export of these devices only for use by private entities such as banks, financial institutions, and U.S. corporate subsidiaries. There are no items for military purposes approved for export.

Regarding computer sales, the President's 1985 Executive Order toughened the already strict controls on the sale of these high-technology items in South Africa. No computers can now be sold to apartheid-enforcing agencies of the South African Government or to any police or military entities.

Over the years, our tightening of export controls on computer sales to South Africa has contributed to a decline in the value of such sales to South Africa. U.S. computer exports to South Africa fell from $199 million in 1984 to $126 million in 1985; we anticipate a further drop in 1986. All these sales are carefully reviewed by the State and Commerce Departments. Our position is that sales of U.S. computers and certain items from our "munitions list" should not be stopped when their uses have nothing to do with apartheid.

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Misconception: U.S. firms in South Africa dominate the economy and prop up apartheid for their own economic benefits.

Facts: U.S. businesses do not dominate the South African economy. They have only a minor role. According to U.S. Department of Commerce figures:

- From 1960 to 1984, 96% of investment in South Africa came from South African sources. Foreign investment in South Africa accounted for about 4% of all new investment there. Of that 4%, U.S. firms accounted for about 20%, or slightly less than 1% of total new investment in South Africa;
- In 1984 there were between 250 and 300 U.S. firms with operations in South Africa; the year-end book value of direct American investment there amounted to about $1.8 billion; and
- Only about 8.2% of South Africa's exports go to the United States, in contrast to about 20.2% to the European Community and 7.6% to Japan.

American firms in South Africa employ slightly more than 100,000 workers or about 2.2% of the total South African workforce (although the percentage is higher in manufacturing and high-technology industries).

American companies are not propping up apartheid; they are helping to break it down. U.S. firms have been among the principal forces working for reform. They have led the way in promoting an end to segregation in the workplace. As of May 1986, there were nearly 200 signatories to the Sullivan principles—named after their originator, Rev. Leon Sullivan of Philadelphia—of fair employment practices. Between 60% and 70% of all black South African employees of U.S.-affiliated private companies in South Africa are covered by the Sullivan principles.

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U.S. firms have spent more than $150 million *outside* the workplace since 1977 to build health centers, improve schools, award scholarships, and in at least one case even to undertake the legal defense of individuals victimized by apartheid. (General Motors, for example, has promised to undertake the legal defense of any employee who is arrested for deliberately using a segregated beach near one of its plants in Port Elizabeth in protest against apartheid.) Such efforts help improve the quality of life for black workers disadvantaged by apartheid and help break down racial barriers.

Fair employment practices based on the Sullivan principles were incorporated into the President's Executive Order of September 1985. These principles *require* all companies to give equal pay for equal work, regardless of race; train nonwhites for supervisory, administrative, clerical, and technical jobs within firms; promote black employees into these positions; and desegregate all eating, comfort, locker room, and work facilities within a firm. Marketing export assistance will be withheld from firms failing to implement these principles.

In sum, American business firms in South Africa are making a vital contribution to peaceful change toward a more just society, helping to end apartheid, and improving the quality of life for black workers disadvantaged by unfair laws.

Misconception: Disinvestment (withdrawal) by U.S. firms operating in South Africa will be an effective weapon for bringing about reform and is overwhelmingly favored by South African blacks.

Facts: Disinvestment is disengagement and would result in diminishing U.S. influence to

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promote peaceful change to a more just society in South Africa.

- If American firms withdraw from South Africa, South African investors stand ready to purchase their assets at bargain prices with nonconvertible rand. Furthermore, none of those potential buyers could be counted upon to adopt Sullivan-type codes of fair conduct for black workers, and they would be unlikely to share the American social commitment to improve the lives of black employees.
- A case in point is the withdrawal of Motorola, a Sullivan signatory, in 1985. Its assets were purchased by a South African firm (Altec), which continues to produce similar products and faces no restrictions on sales to the South African military and police. Thus, the net effect of Motorola's withdrawal was to concentrate more capital and influence in the hands of white South African managers.
- Experience has shown that once an American company leaves a host country, the decision is likely to be permanent. That is a formula for nonparticipation in the shaping of South Africa's future.
- If American business firms were to withdraw from the South African economy, it would result in loss of jobs and opportunities and also end the efforts of those American companies working for change.

Opinion is divided among black South Africans about the usefulness of disinvestment in bringing about reform or ending apartheid. For example, a London *Sunday Times* poll in August 1985 of 400 urban blacks in South Africa found that about three-fourths (77%) favored disinvestment; however, a series of polls involving larger samples of black employees in major industrial centers by Lawrence Schlemmer of the

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University of Natal in 1984 and 1985 found substantial majorities opposed to disinvestment. In fact, on the basis of five different surveys, Professor Schlemmer has concluded that most black people in South Africa, with the exception mainly of some of the better educated elite, fear the economic consequences of disinvestment more than they welcome its possible political effects. More recent polls conducted by others also cast doubt on whether South African blacks actually favor disinvestment.

Misconception: Apartheid in South Africa is no different from the racial segregation that once existed in the United States and must be dealt with in the same way.

Facts: Our unique national history, with its legacy of racial strife, is, paradoxically, both helpful and unhelpful in understanding the current reality in South Africa.

It is helpful because Americans appreciate the emotional dimension of racial politics and the polarization that can result from that kind of debate. Many Americans realize that, despite our impatience, the problems of a racially divided society are not instantly solved. Our experience demonstrates forcefully that a growing economy can help break down racial and social barriers. It also offers hope to nations with distinct multiracial and multicultural patterns by showing that a political structure *can* embrace rich diversity.

Our experience is unhelpful if it leads us to believe that South Africa's racial and social problems are simple and easy to resolve

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or that tactics employed in our civil rights movement are easily transferable to South Africa.

While there are certain similarities between the circumstances facing blacks in South Africa today and those facing American blacks in the 1960s and earlier, important differences also exist. To cite two examples:

- In the United States individual rights of *all* persons are guaranteed and protected by the Constitution; in South Africa there is no similar Bill of Rights; and
- Black Americans acquired suffrage and full citizenship and could work through established political channels and institutions to achieve social and civil rights denied under segregation; in South Africa the legal and political rights of blacks are severely circumscribed.

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